

POLICY AND PROCEDURE MANUAL

3. FINANCIAL MANAGEMENT.

3.15. Proof of Financial Need

A. PURPOSE:

To define "Proof of Financial Need" required by the WIC State Agency to justify a State Agency's request to expedite payment of a grantee's invoices.

B. DEFINITIONS:

1. Financial Need: A State where a WIC grantee has insufficient funds to make payroll and/or pay monthly bills, has exercised their line of credit to address the shortfall, and is at risk of incurring finance charges on the credit extended.
2. Fiscal Responsibility: Financial actions of a WIC grantee demonstrated through adherence to invoicing requirements defined in the terms and conditions of their grant agreements including, but not limited to, timely submission of monthly invoices.
3. Proof of Financial Need: Documentation including but not limited to:
 - a. A copy of the grantee's check ledger documenting all incoming and outgoing payments for the past three months;
 - b. A copy of the grantee's bank statement for the last three (3) months documenting money flow and current funding level; and,
 - c. Proof that the grantee exercised their line of credit within the past 30 days to maintain normal operations during temporary funding delays. Proof that the grantee exercised their line of credit can be shown, for example, by:
 1. A statement of withdrawal within the last 30 days from the grantee's emergency credit provider;
 2. A monthly statement from the grantee's emergency credit provider documenting withdrawal within the last 30 days;
 3. Any equivalent official documentation from the grantee's emergency credit provider.

C. POLICY:

The State WIC Agency will consider a grantee's request for expedited payment when "proof" of financial need" is provided to the State WIC Agency by the grantee.

D. PROCEDURE:

1. WIC grantees must exercise fiscal responsibility:
 - a. Grantees must secure lines of credit and exercise them to maintain operations during temporary delays in cash flow.
 - b. The Commonwealth's Treasury Department is the ultimate payer of funds and, as

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such, the state WIC agency cannot guarantee timing of payments.

- c. Instances where a grantee is without sufficient funds to make payroll or pay monthly bills and where the grantee has immediately exercised financial need and fiscal responsibility as defined above, the state WIC agency will consider a request for expedited payment to the Treasury Department.
- d. Grantees are requested to provide proof of financial need to the State WIC Agency. Upon receipt of a grantee's request for expedited payment and accompanying proof of financial need, the State WIC Agency administrators will:
 - 1. Verify grantee's compliance with invoicing procedures.
 - 2. Evaluate supporting documentation submitted to provide proof of financial need; and,
 - 3. Take any steps available to assist in facilitating payment to the grantee. The State WIC Agency will attempt to secure payment prior to the grantee's incurrence of finance charges, assuming the grantees immediately notified the State WIC Agency when they exercised their line of credit.

To petition the State WIC Agency to request expedited payment on an invoice, a grantee must email RA-DHWic-Invoicing@pa.gov and provide proof of financial need as defined above.